

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATIONS FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK, HOLDING COMPANY ACQUISITION, TRANSFER OF ASSETS, AND OPERATING SUBSIDIARY

Order No.: 2000-38

Date: April 20, 2000

General Motors Corporation (GM), General Motors Acceptance Corporation (GMAC), GMAC Mortgage Group, Inc. (GMACMG), Detroit, Michigan and GMAC Residential Holding Corp. (GMACR), Reno, Nevada (collectively, the Applicants) have applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 552.2-1 and 574.3, for permission to organize and acquire GMAC Bank, Wilmington, Delaware (Savings Bank). In addition, the Applicants have applied, pursuant to 12 C.F.R. § 563.22(c), to transfer certain assets and liabilities of GMAC Mortgage Corp., Horsham, Pennsylvania, to the Savings Bank. The Savings Bank has applied, pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. § 559.11, to establish an operating subsidiary (Operating Subsidiary). (The foregoing are collectively referred to as the Applications.)

The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464(e), 1467a(e) and 1828(m), 12 C.F.R. §§ 543.3, 552.2-1, 559.11, 563.22(d), and 574.7 and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act, 12 U.S.C. § 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. The OTS has considered an analysis prepared by the OTS Northeast Regional Office, a legal opinion by the Business Transactions Division, an analysis prepared by Compliance Policy, and an analysis prepared by the Office of Examination and Supervision (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS finds that the Applications satisfy all applicable statutory and regulatory criteria provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Applicants and the Savings Bank must receive all required regulatory and shareholder approvals for the proposed transaction and submit copies of all such approvals to the Regional Director prior to consummation of the proposed transaction;
2. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order;
3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Applicants and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Savings Bank, GMAC Mortgage

Corp., and the Applicants and their affiliates as disclosed in the Applications. If additional information having an adverse bearing on any feature of the Applications is brought to the attention of the Applicants, the Savings Bank, or the OTS since the date of the financial statements submitted with the Applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;

4. The Applicants and the Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications, and this Order;
5. The Savings Bank must submit annual independent audit reports to the Regional Director for its first three fiscal years. These reports must be in compliance with the audit rules set forth at 12 C.F.R. § 562.4;
6. No later than 60 calendar days prior to the effective date of the proposed transaction, the Savings Bank must submit a copy of an updated business plan to reflect all changes made during the course of the application process, including revised financial information reflecting the updated capital infusion and the deduction of intangible assets and net deferred tax assets to derive tier one leverage capital;
7. The Savings Bank must operate within the parameters of its business plan. The Applicants and the Savings Bank must submit any proposed major deviations or material changes from the plan (including changes resulting from decisions made by the Applicants), and in particular, but not limited to, those pertaining to cross-marketing of products of the Savings Bank and its affiliates, for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of 30 calendar days before the proposed change is implemented with a copy sent to the FDIC Regional Office;
8. For the three years following consummation of the transaction, the Savings Bank must maintain tangible capital at or above 8 percent;
9. At least 40 percent of the Savings Bank's board of directors must be individuals who are not officers or employees of the Applicants, or affiliates thereof, or have not otherwise been determined by the Regional Director to lack sufficient independence, and at least one member of the Savings Bank's board of directors must be an individual who is not an officer, director or employee of the Applicants or any affiliate, and who is not an officer or employee of the Savings Bank or has not otherwise been determined by the Regional Director to lack sufficient independence. At least 50 percent of any audit committee established by the Savings Bank must be directors who are not officers or employees of the Savings Bank, the Applicants or any affiliates, or have not otherwise been determined by the Regional Director to lack

sufficient independence. If compliance with this condition involves the selection of additional directors, each director must receive the prior written approval of the Regional Director;

10. The Applicants, their affiliates and the Savings Bank must comply with the anti-tying restrictions of 12 U.S.C. §§ 1464(q) and 1467a(n) and must develop written procedures to effect such compliance. The procedures must disclose any proposed bundling arrangements and must be submitted for the review and non-objection of the Regional Director prior to the opening of the Savings Bank for business;
11. Any affiliate of the Savings Bank that engages in broker, dealer, investment company, or investment advisor activities (Securities Affiliate(s)) must be operated as a separate legal entity from the Savings Bank so that: (a) their respective accounts and records are not intermingled; (b) each observes the procedural formalities of separate legal titles; (c) each is held out to the public as a separate enterprise; and (d) none dominates another to the extent that one is treated as a mere department of the other;
12. A majority of the Savings Bank's board of directors must not be individuals who are officers, directors or employees of any Securities Affiliate;
13. The Savings Bank and any Securities Affiliate are prohibited from sharing common officers, unless prior approval is obtained from the Regional Director, which shall be based on criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties;
14. The Savings Bank, the Applicants, and the Securities Affiliates must take measures necessary to ensure that their officers and directors adhere to the principles set forth in OTS regulations on conflicts of interest, 12 C.F.R. § 563.200; corporate opportunity, 12 C.F.R. § 563.201; trust fiduciary duties, 12 C.F.R. § 550.140; and any other additional or successor statements of policy or regulations addressing these subjects. The officers and directors of the Savings Bank and the Securities Affiliates are prohibited from using their influence to: (a) take advantage of a business opportunity for the Securities Affiliates' benefit when the opportunity is of present or potential advantage to the Savings Bank; or (b) place the Securities Affiliates in a position that leads to, or could create the appearance of, a potential conflict of interest;
15. The Savings Bank, the Applicants and the Securities Affiliate are subject to the provisions of 12 C.F.R. § 563.76, *Offers and Sales of Securities at an Office of Savings Association*, and related policy established in OTS Thrift Bulletins 23-2, *InterAgency Statement on Retail Sales of Nondeposit Investment Products*, and 23a, *Limited Exceptions to Prohibitions on Sales of Savings Institution's Securities*, and any additional or successor statements of policy or regulations addressing these subjects;
16. No later than 30 calendar days prior to the effective date of the proposed transaction, the Applicants must provide a *pro forma* net portfolio value analysis (including exposure and rate

sensitivity measures) for the Savings Bank on a pre-shock and post-shock basis as of the first day of the Savings Bank's operations, the results of which must be acceptable to the Regional Director. In addition, the Savings Bank must file a Schedule CMR of the OTS Thrift Financial Report at the end of the first quarter of operation;

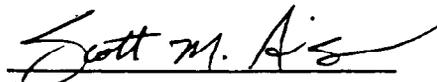
17. Prior to the effective date of the proposed transaction, the Applicants must submit all required RB-20 Certifications, Biographical/financial reports, and fingerprint card to the Regional Director and receive OTS non-objection;
18. For the first two years of operations, the Savings Bank must receive the prior written nonobjection by the Regional Director or his designee for any proposed new senior executive officer or director;
19. No later than 60 calendar days from the effective date of the proposed transaction, the Savings Bank must provide OTS with a copy of the proposed Agreement to Allocate Consolidated Tax Liability between the Applicants, GMAC Mortgage Corp., and the Savings Bank, subject to nonobjection by the Regional Director or his designee;
20. Prior to engaging in the sale of nondeposit investment products or insurance products, the Savings Bank must receive the prior written approval of the Regional Director or his designee;
21. The Applicants must obtain an independent appraisal of the assets and liabilities transferred from GMAC Mortgage Corp. to the Savings Bank and submit a copy to the Regional Director for review no later than 30 calendar days from the effective date of the proposed transaction;
22. No later than 30 calendar days after the effective date of the proposed transaction, the Savings Bank must file with OTS a schedule showing the distribution of assets, liabilities and capital of GMAC Mortgage Corp. into the Savings Bank, GMAC Mortgage Corp., and GMAC Residential Holding Corp. II on the effective date of the proposed transaction; and (ii) a calculation of the Savings Bank's tier one leverage capital amount on the effective date which shows all components of capital, including any items required to be deducted; and
23. No later than 30 calendar days from effective date of the proposed transaction, the Savings Bank must file with OTS an accounting opinion from an independent auditor addressing the accounting methodology employed for the subject transaction and certifying that the transaction was consummated in accordance with generally accepted accounting principles.
24. No later than 60 days from the effective date, the Savings Bank shall appoint a Compliance Officer exclusively dedicated to the development, implementation and management of the Savings Bank's compliance program, including Federal fair lending and consumer protection laws and regulations;

25. No later than 30 days from the effective date, the Savings Bank must submit to the Regional Director for his review and approval, comprehensive compliance management program that covers all Federal fair lending and consumer protection laws and regulations. The program must include, at a minimum, procedures to train and monitor all employees or others who offer or process the Savings bank's products;

Any time period set forth herein may be extended for up to 120 calendar days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective

April 20, 2000.



Scott M. Albinson
Managing Director
Office of Supervision